



Challenge the status quo
*10 insights to give your customers
the best experience*

Astute businesses are learning to focus their entire organisation onto the customer. “Once they see the data, they can’t help but behave differently in how they interact with their customers”

How do you give your customers the best experience? Richard Hammell, Deloitte Global Customer Service leader indicates that forewarned is fore-armed, "Organisations armed with analytics insights have the confidence to embark on strategies including up-selling and cross-selling opportunities, flagging early signals of customer defection, and obtaining better returns from marketing campaigns."

"The power of data is that it gives a single, expansive view of customer relationships and behaviours across products and channels," said Richard. "Astute businesses are learning to transform their organisations into customer-focused ones. Once they see the data, they can't help but behave differently in how they interact with their customers."

Jenny Wilson, Australian Customer Practice leader explains further, "The great thing about this kind of data analysis is that by looking closely at the behavioural patterns of the customer through their own data, organisations can begin to understand their customers as real people, and engage with them."

"You may have heard of the saying 'Knowing where to fish'. This means knowing who and where your most valuable customers today are, what makes them so, and where the next best place to cast the net exists to widen that community and create future value.

"Advanced analytics helps organisations be highly effective and very efficient in the decisions they make, the resources they dedicate and the return they can expect. Ultimately, they become smarter at which fish to hunt for and where to cast their nets."

Jenny drills down into 10 insights that challenge the status quo of customer analytics and help organisations to transform and embrace a customer-connected practice.

10 customer-connected insights

1. Data talks

Organisations are feeling increasingly challenged by what their customers want from them, how they choose to interact and the value they expect from the products and services they purchase. The questions continue – why are customers in some sectors displaying less brand loyalty than before? What is changing in the market and why? Most importantly, what is the ultimate value of the customer?

The data answering these questions becomes strategically valuable when it is able to shape a story about the customer that 'speaks' to the organisation, from executives to engineers, marketing experts to customer service staff. What is required is a common language for how organisations understand the customers they serve and want to serve, and a single perspective on how effective they are at doing it. Gut instinct is not enough. Decisions need to be based on empirical data, which can be communicated effectively to all levels of the organisation.

2. Agility

What customers do and how they do it is changing quickly. Mobile devices, for example, are a fast-emerging channel contributing to the rapid shift in customer behaviour.

Organisations require up-to-date knowledge of their market so that they can stay ahead of market needs and beat competitors. A 'live' segmentation of data enables proactivity in response to change. To be kept waiting six months for the findings of a huge survey isn't good enough – by then, any insights will have lost their value as customers continue to change the way they behave. Insights that support an "understand and act now" mindset are critical to an organisation's ability to be agile in how they compete - testing, learning and refining constantly, and benefitting as a result.

3. Insights that really matter

Organisations need a more comprehensive picture of their customers – there are so many new touch points to get a handle on to really understand the full picture of customer behaviour. It is often the case that organisations have a lot of data that is not being shared and leveraged today – cross-channel visibility is a good example of a typical blind spot. There is also a world of new data that is often not used but becoming increasingly pivotal to understanding the sentiment of customers – online and social media data are obvious current examples.

Organisations also need to get a more granular view of the customer than before – customers are increasingly community orientated, self-organising into niche groups of interest and desire. Sourcing and analysing data that is tracked at this deeper level, back to the actual customer at the actual point of interaction is critical to getting to the heart of customer needs. This approach goes well beyond the typical insights that are often delivered from organisational data warehouse reporting.

Organisations should seek this richer level of insight from their customer analytics capabilities; and then narrow down on those insights that are truly relevant to making a difference for customers. The data holds gems of insight. Managing this rich data complexity means less noise and better insights.

4. Prove it

Many organisations recognise that the traditional customer reporting approach is not keeping them close enough to the pulse of customers' needs. The good news is the advancement in technology innovation means that data analytics can offer so much more. Embracing this innovation and being willing to challenge the status quo is often a difficult first step, but there are ways to do this at low risk that allow the value to be proven quickly.

By using rapid deployment techniques and leveraging service-based platforms, organisations can make the investment at low initial risk; focusing around a proof of concept – around a product launch or particular market vertical, organisations can experience the power that customer insights will deliver in making smarter decisions about whom to market to, and with what value proposition, to test and prove the improved impact on ROI – rapid prototyping of customer interventions is rapidly becoming the new competition standard.

5. Offer the right 'next best offer'

The 'next best offer' is the simplest, most-efficient way to drive organic growth. However, some organisations often find that traditional segmentation is too high-level and too broad and customer marketing in response is not executed on with sufficient relevance or velocity.

Using customer analytics, a business can gain deep insights from one customer to the next. Each time a business makes a 'next best offer' to the customer that fails, they have taken up a limited pool of opportunity to demonstrate value to their market. Using analytics to present the right offer to the market increases the ratio of 'opportunity benefit' rather than 'opportunity cost', demonstrating real value for a business.

6. Stop

Knowing when to stop is just as important as giving insight into action. Every company wants to manage their resources better, so they don't throw a massive sales force effort into an unsuccessful marketing campaign, or incur customer support costs for an area that is not relevant to the customer. But whilst the benefits can be significant, without sufficient information this is often an uncomfortable decision for organisations to commit to.

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The shift toward more granular, comprehensive and dynamic approach to customer analytics and insights removes this discomfort from the decision making process. Organisations can feel comfortable that they have the right level of insight to truly understand the trade-off decisions in retaining the right customer and forgoing parts of the market that will not drive long term value. Ultimately, knowing where not to focus makes things simpler, smarter and more efficient.

7. Timely and actionable insights

Traditional market analysis is often based on a specific 'point in time' which can quickly become outdated. Data-driven customer insights solves this point in time conundrum; an organisation can build effective and timely customer planning into their strategy by leveraging the currency of the data they obtain about their customer – daily, weekly and monthly. These insights can create the connection between "strategic trends" that emerge over time, and the operational changes that should be made to execute more effectively. In this way insights become the "link" between defined strategies and the ability to execute.

Customer insights can equip the organisation to drill down into pragmatic decisions for execution; for example, to the level of determining the 'three things' front line staff should focus on to improve sales, or how to make better use of all channels to reach the right customers at the right time. The list continues. Ultimately, insights need to help a business move from strategic plan to pragmatic execution.

8. 'Swim' in the customer experience

Businesses aim to put the customer at the centre of everything they do, but it could be argued it's not always practical in a large organisation.

So when does putting the customer at the centre really make a difference? Identifying the decisions that affect the customer the most and focusing on getting those decisions right may be the answer.

Organisations can also consider what they should be gathering from their customers to give better them insights. Customer analytics can provide insights into the data that does matter, data that doesn't matter and how employees can be helped to understand the importance of gathering this information.

With all of these elements, a business can truly integrate the customer into their organisational 'DNA' – so that the way they think and act is based on their customers' needs, not just an ill-informed perception of their needs. That is the power of data.

9. Give employees the power to act

Satisfying customers is getting harder – they have so much information at their finger-tips, and social media is training them to expect answers to their questions almost instantly. Any large organisation can be constrained by policy and procedure and the knowledge needed to make the right decision for the customer is not always easy to find. Consequently, customers can get passed around and up the hierarchy, which is frustrating.

Giving staff the power to make the right decision and to act is an important lever in maximising the 'return' from each customer interaction. However, companies need more than insights to commence this empowerment – they need a transparent means of converting these insights into knowledge to share with customer-facing staff. Democratising customer insights from the 'analytics team' outwards into the organisation can help to drive power closer to the customer, and help educate staff so they can see the best course of action in any situation.

10. Measure the value of the data

Data can be refreshed to show the shifts in customer performance and can track which segments are increasing in value, thus measuring and demonstrating that a business is on the right track. With this ability to measure operational performance and strategic precision, a company can truly stay one step ahead of its competitors.

About Deloitte Customer Practice

Deloitte's Customer Practice brings together the skills of Deloitte Consulting, Deloitte Analytics and Deloitte Digital to help businesses transform customer insights into practical strategy and execution. We use a sophisticated and granular understanding of customer needs to devise agile strategies that businesses can rapidly execute to receive measurable economic benefits.

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